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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

William F. Caton, Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: CC Docket No. 97-208

Dear Mr. Caton:

On behalf of the Competitive Telecommunications Association ("CompTel"), please take notice that on November 7, 1997, we met with Michael Pryor, Jordan Goldstein, Audrey Wright, Ed Krachmer, Anu Seam, Rich Lerner and Jeannie Su of the Common Carrier Bureau to discuss CompTel's position in this docket. Representing CompTel were myself from Kelley Drye & Warren LLP and Genevieve Morelli. The attached documents were distributed and discussed at the meeting.

In accordance with Section 1.1206 of the Commission's rules, an original and one copy of this notice are provided for inclusion in the public record.

Sincerely,



Steven A. Augustino

Attachment

cc: Mr. Pryor
Mr. Goldstein
Ms. Wright
Mr. Krachmer
Ms. Seam
Mr. Lerner
Ms. Su

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**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of

Application by BellSouth Corp. et al.
for Provision of In-Region,
InterLATA Services in South Carolina

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)
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) CC Docket No. 97-208
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)

**EX PARTE PRESENTATION OF THE
COMPETITIVE TELECOMMUNICATIONS ASSOCIATION**

November 7, 1997

BELLSOUTH HAS CREATED A BARRIER TO RESIDENTIAL COMPETITION

- **BellSouth's Unnecessary Separation of Network Elements has 5 Principal Effects**

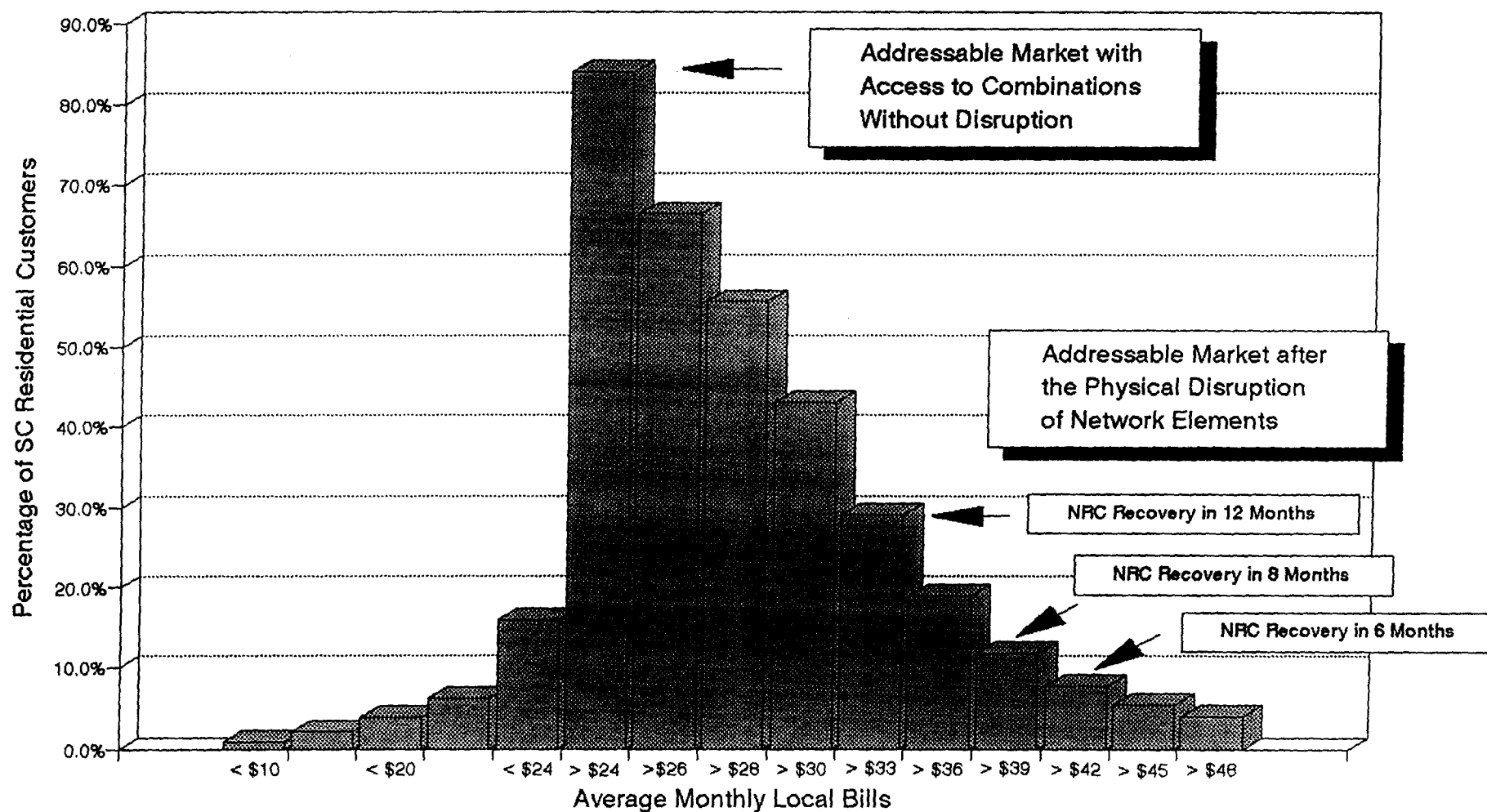
1. Additional charges by BellSouth to separate elements
2. Additional costs to the CLEC to combine elements
3. Otherwise avoidable service outages when customers change carriers
4. Increased risk of error
5. Unreasonable delay in switching customers

- **BellSouth's Policy Precludes Competition for Most Residential Customers**

But for BellSouth's insistence on unnecessary separation, at least 85 percent of South Carolina residential customers would be potential targets for service through BellSouth UNEs

With BellSouth's policy, however, as little as 8 percent are potential targets

The Forced Separation of Network Elements Creates a Barrier to Residential Competition



BELLSOUTH MUST PROVIDE CLECS THE ABILITY TO COMBINE NETWORK ELEMENTS

- BellSouth denies CLECs the ability to combine UNEs to "duplicate" a service offered by BellSouth. In such cases, BellSouth applies the resale rate, not UNE rates, and BellSouth, not the CLEC, collects access charges
- BellSouth offers only two options to combine elements. (1) it will physically deliver UNEs to a collocation cage "where possible" or (2) it promises to negotiate other arrangements at some future time
- BellSouth does not identify which elements will be delivered under option (1), nor does it specify how a CLEC could combine such elements. Other than a loop/port combination, it is not clear that any elements can be delivered to collocation spaces. It appears impossible to deliver unbundled switching and common transport in this way
- The collocation requirement inherent in option (1) is inconsistent with the FCC's conclusion (upheld by *Iowa Utilities Board*) that a CLEC can purchase *all* of the necessary elements from BellSouth and is itself a barrier to entry
- BellSouth's promise to negotiate a "glue charge" or other arrangements (option (2)) is illusory. BellSouth has not demonstrated that it has a concrete and specific obligation to enable CLECs to combine UNEs

**BELLSOUTH ALSO MUST PROVIDE
NONDISCRIMINATORY ACCESS FOR PURPOSES
OF COMBINING NETWORK ELEMENTS**

- ILEC *either* must combine UNEs *or* provide nondiscriminatory access so the CLEC can combine them. Having chosen not to provide pre-existing combinations, BellSouth must demonstrate that CLECs can combine elements as quickly and efficiently as BellSouth can
- Because BellSouth insists on physically (manually) separating UNEs where it is not necessary, it is evading the FCC's requirement that local service changes requiring only a software modification be comparable to the PIC change process
- Except in rare circumstances, separation should be accomplished through automated processes and CLECs must have access to these automated systems to combine UNEs as determined by the CLEC. Where BellSouth can configure service through software changes, CLECs must also be able to do so
- BellSouth must provide supervised access to the network so that CLECs can combine UNEs without establishing collocation arrangements. *Iowa Utilities Board* is predicated on the conclusion that ILECs such as BellSouth will provide access to their networks to combine elements
- The Commission must obtain information on how BellSouth personnel access the network to combine network elements. Without such information about BellSouth's own access, the Commission cannot judge whether the access BellSouth provides is nondiscriminatory

**BELLSOUTH HAS NOT SATISFIED OTHER ELEMENTS
OF THE COMPETITIVE CHECKLIST**

- **BellSouth Has Not Shown It Is Capable of Providing Usage Information for Unbundled Local Switching**

BellSouth witnesses' 11th-hour discovery that it had this capability "since August 14" is not credible

BellSouth's inability to provide usage information affects not only the accuracy of bills to CLECs but also a CLEC's ability to provide exchange access using unbundled local switching

BellSouth's inability to provide usage information for unbundled switching calls into question its ability to bill for other usage-based UNEs, such as common transport

- **BellSouth Has Not Demonstrated, to the FCC or the State Commission, that its UNE Rates Meet the Act's Cost Standards**

BELLSOUTH'S OSS IS INADEQUATELY DESIGNED

- Direct, system-to-system interfaces are not available. Information obtained from or input into BellSouth system must be input separately into CLEC's system
- BellSouth does not provide a single interface for access to customer service records, pre-ordering and ordering. Three separate systems are used to obtain this information. In addition, pre-ordering information must be manually re-input into BellSouth's ordering interface
- Manual processing of CLEC orders is the norm. BellSouth manually enters CLEC orders into its legacy systems. Any order needing "clarification" is manually processed

BELLSOUTH MAY NOT PROCEED UNDER TRACK B

- **Track A is the Primary Vehicle for Satisfying Section 271**

Track B is a narrow exception responding to a theoretical concern raised by the BOCs

A narrow interpretation of Track B's requirements preserves a BOC's incentive to cooperate with a CLEC's efforts to provide facilities-based service

- **BellSouth Clearly Has Received Multiple Requests for Interconnection and Access**

- **BellSouth's Analysis of Facilities-Based CLECs Ignores Those CLECs Seeking to Use UNEs to Provide Service**

The FCC has ruled that UNE-based service is "facilities-based" for Track A/Track B purposes

As long as UNEs are provided in a manner that is equivalent to ownership (including the ability to combine elements efficiently), a request by a CLEC seeking to provide service through UNEs requires a BOC to proceed under Track A, not Track B

**BELLSOUTH MAY NOT PROCEED UNDER TRACK B
(CONT'D)**

- **There is no Basis to Conclude that CLECs Have Failed to Negotiate in Good Faith or Failed to Comply with an Implementation Schedule**

Under Track B, a BOC must ask the state commission to certify either a failure to negotiate in good faith or a failure to comply with an implementation agreement. BellSouth has done neither, and the SCPSC has not made such a finding

BellSouth's proposed "no reasonable steps" standard is amorphous and contrary to the language of the statute

BellSouth's own actions have erected a barrier to entry in the residential market. The lack of competition is directly attributable to BellSouth, not to CLEC's alleged delay